Page 1 of 9

Rising food prices: Canadians – regardless of income level – say it's getting harder to feed their families

Two-in-three say the issue receives "too little attention" from government

April 4, 2016 - The rising cost of groceries has left the majority of Canadians finding it harder to afford to feed their households, and it's not only the working poor who are feeling the squeeze.

A new poll from the Angus Reid Institute finds people in middleclass or higher income brackets also say putting food on the table has become more difficult in the last year, as do those who have kids at home.

Canadians report cutting back on meat and switching to cheaper brands at the grocery store to deal with rising costs, while the majority (two-in-three) say the country's leaders aren't paying enough attention to the issue.

Key Findings:

More than half of all Canadians (57%) say it's become more

adults who are members of the Angus Reid Forum. For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2.5 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned

METHODOLOGY: The Angus Reid Institute conducted an online survey from February 22 – 25, 2016, among a representative randomized sample of 1,515 Canadian and paid for by ARI. Detailed tables are found at the end of this release.

In the last year, would you say you've been

finding it easier or harder to afford to feed

your household?

38%

■ Easier About the same Harder

4%

57%

- difficult to afford to feed their households in the last year. Just 4 per cent say it's easier
- In addition to switching to cheaper brands when shopping (71%), two-in-five (40%) say they've been choosing less healthy options in the aisle
- Two-in-three Canadians (63%) say rising food prices haven't been receiving enough attention from Canada's leaders, and more than half (53%) say the issue is "one of the most important" facing the country today

Page 2 of 9

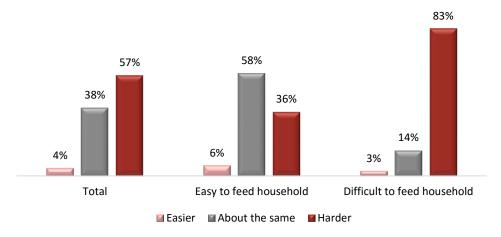
As food prices rise, are Canadians able to keep up?

Are food price causing a crisis at the kitchen table today? The answer is no: a narrow majority of Canadians (54%) tell ARI groceries are either "very" (13%) or "somewhat" (41%) easy to afford.

But while most aren't having a hard time stocking the fridge right now, very few say the task is becoming less painful.

Indeed, almost six-in-ten Canadians (57%) think it's become more difficult in the last year. This includes more than eight-in-ten who say groceries are hard to afford, and – notably – one-in-three who don't report cost to be a problem:

In the last year, would you say you've been finding it easier or harder to afford to feed your household?



Why have food prices been rising?

This feeling that it's getting harder for Canadians to feed their households is rooted in reality. Food prices – especially for meat and produce – have been increasing steadily in recent years, as seen in Statistics Canada's <u>year-over-year tracking</u> data.

The lower value of the Canadian dollar relative to its U.S. counterpart is <u>a key cause of this increase</u>. It has driven up the cost of imported foods, a category that includes 81 per cent of all fruits, vegetables, and nuts sold in Canada.

But the low loonie <u>isn't the only thing</u> raising grocery bills. Food prices also fluctuate because of environmental factors – such as the severe drought in California that wreaked havoc on growing seasons last year – and because of changes in global supply and demand for specific products.

The cost of transporting goods also affects their prices. The expense of delivering food to remote communities is one of the main reasons groceries have long been so pricey in Canada's north.

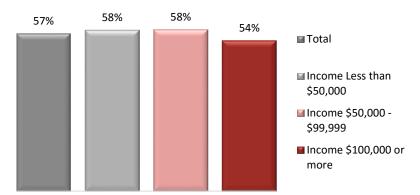
Page 3 of 9

The wealth gap, or lack thereof

Given that food, clothing, and shelter are considered the necessities of life, grocery bills – regardless of Canadians' ability to pay – are something they likely keep close track of. And rising food prices are being felt across income levels.

While those who make more money start from a position of greater security when it comes to affording groceries, they are just as likely as other income groups to feel pinched by the rising cost of food:

In the last year, would you say you've been finding it easier or harder to afford to feed your household?



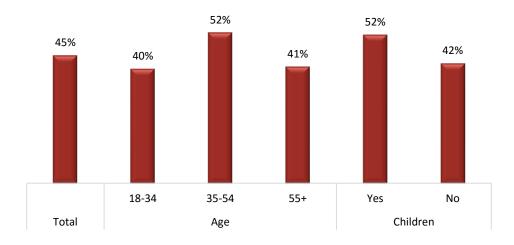
Has gotten harder to feed household in last year

More mouths to feed? More trouble feeding them

Picky eaters and the need to find healthy options aren't the only problems plaguing those with kids at home. Rising food prices hit harder too. This survey found significant differences between respondents whose households include children and those that don't, with parents or caregivers more likely to say it's "difficult" to feed their families. Those between ages 35 and 54 – the age group that most closely corresponds with child-rearing – say the same:

Page 4 of 9

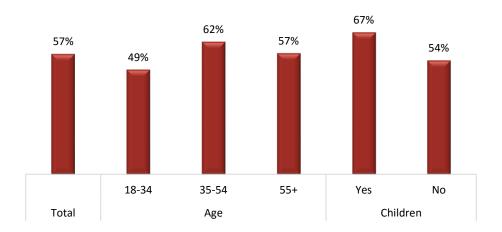
How easy or difficult would you say it is to afford to feed your household? (those saying 'Very/Somewhat difficult' shown)



Not only is it difficult, it's getting harder.

Among those with children, fully two-thirds say the cost of food has put more pressure on their wallets in the last year:

In the last year, would you say you've been finding it easier or harder to afford to feed your household (those saying 'harder' shown)



Page 5 of 9

Retirees on fixed incomes may be feeling the increases in food costs more acutely as well. As noted in the preceding graph, the gap between the 35-54 and 55-plus age groups is less pronounced on this question than on affordability overall.

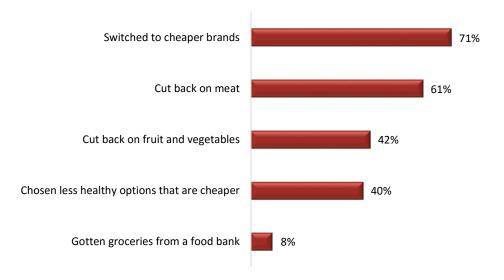
Rising Prices, Unhealthy Options:

Earlier this year, news reports suggested that the rising cost of meat had led to <u>an increase in thefts from</u> grocery stores.

While it's unlikely that large numbers of Canadians are turning to a life of crime in order to keep eating beef, this survey finds more than three-in-five (61%) have cut back on meat purchases in the past year ... directly because of increasing prices.

As the following graph shows, reducing meat consumption is one of the more widely employed strategies Canadians have adopted to cope with costly grocery bills:

Percentage of Canadians who say they have done each of the following because of the price of food:



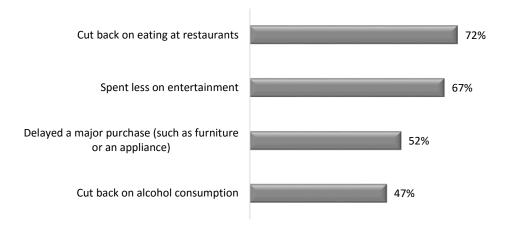
It's worth underscoring that two-fifths of Canadians (40%) say they have chosen less healthy options because of the growing cost of food. This includes nearly half (47%) of those ages 18 to 34, and fully half (50%) of those with household incomes below \$50,000.

If a lack of affordability drives large numbers of Canadians to consistently make choices that are detrimental to their health when buying groceries, how far will public health consequences lag behind? Indeed, the consequences of unhealthy eating habits – and the need to change them – have already been outlined in a recent Senate report on obesity.

Page 6 of 9

Rising food prices have also led Canadians to cut back on "extras" such as eating out:

Percentage of Canadians who say they have done each of the following because of the price of food:



Income is a driver of behaviour on this question too: those earning less are more likely to say they have done each of the items listed in the preceding graphs because of high food costs than other pay brackets (see comprehensive tables for details).

So, while people of all income levels *feel* affected by the rising price of food, it's those closer to the bottom of the scale who are experiencing the material consequences of higher prices in their lives.

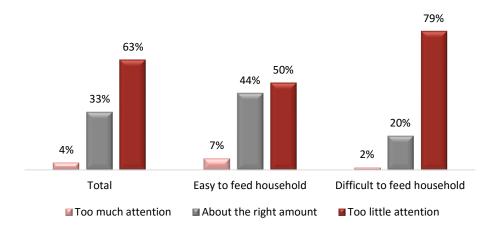
The Public Agenda:

Most Canadians don't believe rising food costs captured the attention of publically elected leaders. Those who feel this way outnumber those who believe government has given the issue the right amount of attention by a margin of roughly two-to-one.

Unsurprisingly, those who describe feeding their families as "difficult" are more likely to say this issue deserves greater public discussion. However, even among those who find it "easy" to afford to feed their households, fully half (50%) say the issue deserves more care:

Page 7 of 9

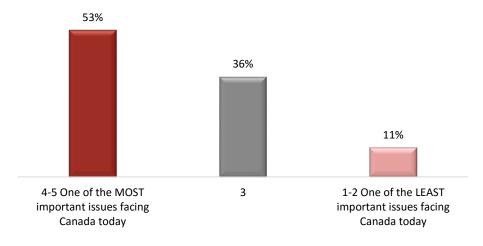
Would you say this issue of the rising cost of food is receiving too much, too little, or the right amount of attention from Canada's leaders?



A similar question asked respondents to rank the importance of this issue on a one-to-five scale, with a 1 signifying that it's "one of the *least* important issues facing Canada today" and a 5 meaning it's "one of the *most* important issues."

Canadians are five times as likely to choose one of the top two numbers on the scale (53% do so) than to choose one of the bottom two (11%).

Now, thinking about all the issues facing Canada today, where would you rank this issue of rising food costs?



Page 8 of 9

Again, income, age and kids are the demographic drivers of opinion among Canadians when it comes to the priority of rising food prices. Those more likely to say this staple is getting harder to afford (those ages 35-54 and those with kids at home) are more likely to rate the importance of the issue a 4 or a 5, as are those with household incomes under \$50,000 (see comprehensive tables).

The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research organization established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

Summary tables follow. For detailed results by region, age, gender, income, and other demographics, click here.

Thinking about grocery shopping and your household's food budget, how easy or difficult would you say it is to afford to feed your household? Children in household **Total** (weighted sample sizes) (1515)Yes No (1099)(384)13% 10% 15% Very easy Somewhat easy 41% 37% 42% Somewhat difficult 37% 42% 34% Very difficult 8% 10% 8% Not sure/I don't do the grocery 1% 1% 1% shopping

In the last year, would you say you've been finding it easier or harder to afford to feed your household?					
(weighted sample sizes)	Total (1515)	Children in household			
		Yes (384)	No (1099)		
Easier	4%	5%	4%		
About the same	38%	28%	41%		
Harder	57%	67%	54%		
Not sure	1%	0%	1%		

Shachi Kurl, Executive Director: 604.908.1693 shachi.kurl@angusreid.org @shachikurl

Page 9 of 9

In the last year, would you say you've been finding it easier or harder to afford to feed your household?					
(weighted sample sizes)	Total (1515)	Food affordability			
		Easy (821)	Difficult (674)		
Easier	4%	6%	3%		
About the same	38%	58%	14%		
Harder	57%	36%	83%		
Not sure	1%	0%	0%		

Would you say this issue of the rising cost of food is receiving too much, too little, or the right amount of attention from Canada's leaders?					
(weighted sample sizes)	Total (1515)	Food affordability			
		Easy (821)	Difficult (674)		
Too much attention	4%	7%	2%		
About the right amount	33%	44%	20%		
Too little attention	63%	50%	79%		

Now, thinking about all the issues facing Canada today, where would you rank this issue of rising food costs?					
(weighted sample sizes)	Total (1515)	Children in household			
		Yes (384)	No (1099)		
5 One of the MOST important issues facing Canada today	14%	16%	13%		
4	39%	43%	38%		
3	36%	31%	38%		
2	8%	7%	9%		
1 One of the LEAST important issues facing Canada today	2%	3%	2%		